MULTIMEDIA UNIVERSITY

STUDENT ID NO

MULTIMEDIA UNIVERSITY

FINAL EXAMINATION

TRIMESTER 2, 2022/2023

DIB5014 – INTRODUCTION TO INTERNATIONAL BUSINESS

(All sections/Groups)

03 JULY 2023
2.30 p.m – 4.30 p.m
(2 Hours)

INSTRUCTIONS TO STUDENT

1. This question paper consists of 2 pages.
2. Attempt **ALL** questions. The distribution of marks for each question is given.
3. Please write all your answers in the Answer Booklet provided.

Structured Questions (100 Marks)

QUESTION 1

(a) Many businesspeople, politicians, and policy makers believed that, under certain circumstances, deviations from free trade are appropriate. Explain **TWO (2)** rationale for trade intervention under the infant industry arguments. (4 marks)

(b) Clarify the following terms:
(i) Export Tariff. (2 marks)
(ii) Transit Tariff. (2 marks)

(c) State and explain **TWO (2)** kinds of non-tariff barriers. (4 marks)

(d) Identify **THREE (3)** forms of government policies that promote international business. (6 marks)

(e) What are **TWO (2)** ways that are known for controlling unfair trade practices? (2 marks)

(Total: 20 marks)

QUESTION 2

(a) Differentiate between hard currency and soft currency. (4 marks)

(b) List **SIX (6)** major players in the foreign exchange market. (6 marks)

(c) Describe the following terms:
(i) Two-point arbitrage (2 marks)
(ii) Three-point arbitrage (2 marks)
(iii) Covered-interest arbitrage (2 marks)

(d) Differentiate between foreign bonds and Eurobonds. (4 marks)

(Total: 20 marks)

QUESTION 3

(a) Discuss **FOUR (4)** basic components of strategic development. (8 marks)

(b) Explain the components in SWOT analysis with relevant example. (12 marks)

(c) List **FIVE (5)** steps involved in developing international strategies. (5 marks)

(Total: 25 marks)

Continued ...

QUESTION 4

(a) Identify **FOUR (4)** risks when a firm enters a new market. (4 marks)

(b) What are **FOUR (4)** factors that a firm would consider before choosing export as the penetration strategy? (4 marks)

(c) Explain indirect exporting and provide a relevant example. (3 marks)

(d) List **THREE (3)** advantages and **THREE (3)** disadvantages of international licensing. (6 marks)

(e) State **THREE (3)** advantages and **THREE (3)** disadvantages of acquisition strategy. (6 marks)

(Total: 23 marks)

QUESTION 5

(a) List **FOUR (4)** pitfalls of strategic alliances. (4marks)

(b) What are **FOUR (4)** criterias of selecting a good partner in strategic alliances? (8 marks)

(Total: 12 marks)

End of Paper